

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF WEST)
SHELBY WATER DISTRICT) CASE NO. 92-006

O R D E R

On January 2, 1992, West Shelby Water District ("West Shelby") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. West Shelby purchases water from the Louisville Water Company ("Louisville"), Shelbyville Water and Sewer ("Shelbyville"), and North Shelby Water Company ("North Shelby").

2. Effective January 1, 1992, Louisville increased its rate for water sold to West Shelby from \$1.06 per 1,000 gallons to \$1.10 per 1,000 gallons, and increased its \$98.10 monthly service charge to \$101.10. There was no increase to the elevated service area surcharge of \$.19 per 1,000 gallons. There has been no change in rates charged by Shelbyville and North Shelby. Based on 5,000 gallons average monthly usage, the average monthly bill for a West Shelby customer will increase from \$17.31 to \$17.40, which is an increase of .52 percent.

3. West Shelby proposes to increase the rates to its customers effective January 15, 1992.

4. During the 12 months ending November 30, 1991, West Shelby purchased a total of 145,945,100 gallons of water, 55,324,000 gallons of which were purchased from Louisville, 90,187,000 gallons of which were purchased from Shelbyville, and 434,100 gallons of which were purchased from North Shelby.

5. West Shelby sold 125,637,100 gallons of water during the same 12-month period.

6. West Shelby's calculations are correct and show an increase in purchased water costs of \$2,249, resulting in a purchased water adjustment of 2 cents per 1,000 gallons of water.

7. The rates proposed by West Shelby are incorrect in that the purchased water adjustment was not correctly applied on a per unit basis to the minimum bills as required by 807 KAR 5:068. The minimum bills for 5/8 Inch Meters and 3/4 Inch Meters are incorrectly calculated. West Shelby's tariff sheet showed the minimum bills for 5/8 Inch Meters (First 2,500 gallons), 3/4 Inch Meters (First 3,500) to be \$9.32, and \$12.55, or an increase of \$.04, and \$.06 respectively. As shown below, the correct amount of the increase is \$.05, and \$.07.¹ The proposed rates should, therefore, be denied.

¹ 2,500 gallons x \$.02/1,000 gallons = \$.05
 3,500 gallons x \$.02/1,000 gallons = .07

 \$.05 + \$ 9.28 = \$ 9.33
 .07 + 12.49 = 12.56

8. The purchased water adjustment of 2 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:


1. The rates proposed by West Shelby are denied.

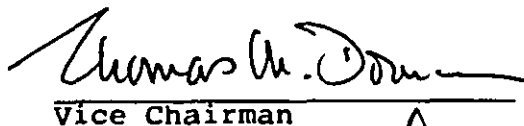
2. The purchased water adjustment of 2 cents per 1,000 gallons and the rates in Appendix A are approved for services rendered on and after January 15, 1992.

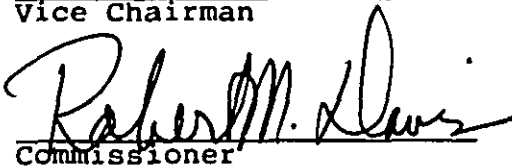
3. Within 30 days of the date of this Order, West Shelby shall file a revised tariff sheet setting out the rates approved herein.

Done at Frankfort, Kentucky, this 21st day of January, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-006 DATED JANUARY 21, 1992

The following rates and charges are prescribed for the customers in the area served by West Shelby Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

<u>Usage Blocks</u>	<u>Monthly Rate</u>
<u>5/8 Inch Meter</u>	
First 2,500 gallons	\$9.33 Minimum Bill
Next 7,500 gallons	3.23 per 1,000 gallons
Next 20,000 gallons	2.73 per 1,000 gallons
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons
<u>3/4 Inch Meter</u>	
First 3,500 gallons	\$12.56 Minimum Bill
Next 6,500 gallons	3.23 per 1,000 gallons
Next 20,000 gallons	2.73 per 1,000 gallons
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons
<u>1 Inch Meter</u>	
First 5,000 gallons	\$17.40 Minimum Bill
Next 5,000 gallons	3.23 per 1,000 gallons
Next 20,000 gallons	2.73 per 1,000 gallons
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons
<u>1 1/2 Inch Meter</u>	
First 10,000 gallons	\$33.55 Minimum Bill
Next 20,000 gallons	2.73 per 1,000 gallons
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons

2 Inch Meter

First 16,000 gallons	\$49.93 Minimum Bill
Next 14,000 gallons	2.73 per 1,000 gallons
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons

3 Inch Meter

First 30,000 gallons	\$88.15 Minimum Bill
Next 200,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons

4 Inch Meter

First 50,000 gallons	\$134.75 Minimum Bill
Next 180,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	2.03 per 1,000 gallons

6 Inch Meter

First 100,000 gallons	\$251.25 Minimum Bill
Next 130,000 gallons	2.33 per 1,000 gallons
Over 230,000 gallons	1.03 per 1,000 gallons